G. R. S. IX-5]

Previous references.
Genl 5-15

1918-19
(Genl)

File No. 40-46

Serial Nos. Notes only

Later references.
Genl 32-18
57-18

(21)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Notes only

Part B for June 1919

SUBJECT.

Revision of rules relating to the grant of mineral licences

W D 1250—GPB—30,000 - 23-1-19

AGS

(For disposal at a meeting) No. C. /32

17. 2. 1917.

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT

(Clause viii of the Schedule)

Revision of the rules relating to the grant of mineral licenses.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

D. M. Narayan Rao

16th February 191 7. *Secretary to Government.*

Extraordinary Member of Council. 20.4.17.

First Member of Council. 19/2

1917 / 17.2

Second Member of Council. Seen.

WD 2012—GPB—1 000—9 2 16

W. D. 791—GPB—2,000—2-10-15

REPLY.

(To be written on this margin.)

Office of the Dewan of Mysore.

NOTE.

Dated....9th..December.....*191* 6.

When he was last here, Mr.Perin suggested that the royalty levied on magnesite by the Geological Department in the State might be increased at once. Has any action been taken in the matter? If not the question may be examined now.

2. It seems as well that the present opportunity should be taken to examine the conditions on which the right to the exploitation of minerals in the State is being granted. The rules may be examined with the aid of an expert who may be paid a fee, if necessary.

3. This note may kindly be placed before the Second Member of Council for favour of any action he may wish to take to attain the objects mentioned above.

4. If necessary the matter may be also talked over in Council.

10.12.16.

The Secretary,

General Department.

G. R. S. 12]

General and Revenue Secretariat.

Govt File No. 40 of 1916.

Serial No.

M 60-16
MR 681-16

2

If the rate and work appeal system why afforestation has been started for 2 years no further examination of the Govt system seems necessary

Jishnu

13/12

Dewan)

Dewan
14/12/16

14/12

3472
14.12.16

a) The rates may be compared with those prevailing in other countries. Such information is perhaps available in the offices of the Kolar Gold Mines and with holders of mineral licenses though they may be unwilling to give them.

b) Whatever available information on (a) to be subd

23/1

9) The Second Member will oblige by examining all the rules relating to the grant of mineral licenses and favour me with his views about the advisability of affording special facilities to local men and guarding against giving away valuable mining rights to people from outside.

22-1-17.

95 11) Where is this file

(2)

Judge Dewan 23/1

23/1/17

12) A tabular Statement dealing with the questions raised above and some other questions is put up.

Gen Secy

17/2/17

NOTE—Contn. sheet

GPB—70,000—17-12-15

G. R. S. 12]

General and Revenue Secretariat.	Geol File No. 40 of 1916.

6591-17

175 Serial No. 7-2-17 (Secretary Member)

Drugs Rules

14) Rules may be submitted to the Govn. may be discussed in Council if he sees no objn.

6.2

(15) Dewan) 45881 9.2.17.

Drugs Rules

16) Please bring up at a meeting of Council. C.S. Circ 16/- 14.2.17.

GPB—70,000—17-12-15

(17) 4

Revision of the rules relating to the grant of mineral licenses

17

The rules of gold mining leases may be examined with reference to those in vogue in other countries and a note prepared containing definite suggestions for the future policy of Govt in this matter.

Similarly, the preference to be shown and the assistance to be given to local men in prospecting & mining should be investigated & noted upon

9/8/17.

19

To the R.S for a note in consultation with the Director. The R.S may kindly visit the Lib of the Geo-Survey & get some books magazines on loan which have a bearing on this subject.

A months' time

Dues 11/8

11/8/17

GEN. & REV. SECRETARIAT. V GENERAL 11 AUG. 1917

21 I have Consulted the offg Director and had also been to the Library of the Geological office There are no books or magazines there on the points referred to above

The offg. Director thinks that there may possibly be some information in a Regulation of some foreign Country regarding the point referred to in para Supra, that he is expecting to get that Regulation shortly and that he would

lend it to me as soon as he gets it. Immediately after getting it, I shall submit a note.

Yrs Sincy) 10/9/17

Seen. Thanks. Please keep the subject in view & keep reminding the Mg Director.

Some of the Year books or Australian statistics in many give info re Australia, South Africa & Columbia which are the chief F'd Countries - are the chief F'd Countries - 2) Enquiries may be made in Prc. Committee Libr.

CBS
15/9/17

9/11/9/L

2) The Director's letter dated 8 March 1918 stating that much information useful for our purposes is not available is put up.

3) A note showing the rates of royalty in Some other Countries is also put up.

Chs Sheekey 12/9/18

G.R.S. III—3]

Routine Notes.

MR 602-16

[To be used only for notes, requisitions, etc., not intended for permanent record.]

XII

Papers (MR No 602-16) regarding the

(1) policy to be adopted in disposing of applications for licences for gold;

(2) the question of giving preference to local men in prospecting & mining

(3) and of dividing the rates of royalty

have ~~been~~ were kept for consideration along with the general question of revision of rules.

The question of revision of rules has been considered by the Committee appointed for the purpose. The Director has been requested to submit ~~draft~~ revised rules for the approval of Govt.

May orders on the question be awaited?

AAS 11-6-19.

These papers will now be filed in appeal

Ch Secy 12/6

CSX 12/6

Rec'd 12-5-19

SECRETARIAT IV

MINOR Depts 30 JUN 1919

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

No

1	Is there any restriction in the rules or standing orders in respect of foreigners or outsiders obtaining prospecting licesses or mining leases? 7.	Any body may obtain a prospecting license or mining lease under the rules of 5th September 1916 whether he is the subject of the State or an outsider
		By an order dated 22nd August 1916 applications from foreigners for the grant of prospecting licenses and mining leases have, until further orders been ordered to be rejected.
	Is there any ~~restriction~~ mining in the British Indian Rules restricting the grant of prospecting licenses or mining leases?	No prospecting license or mining lease shall be granted except to a person holding a certificate of approval from the Local Government, within whose jurisdiction the land lies for which the license or lease is asked (Rule 7)
		A certificate of approval or a

prospecting license or a mining lease shall be granted only to a person who is a British subject, or if the person be a company or firm, only if such company or firm is shown to the satisfaction of the Local Government to be controlled by British subjects. In the case of the death of the person or any other persons to whom the license or lease has been granted it shall inure for the benefit of his if they are British subjects or a company or firm shown to the -- satisfaction of the Local Government to be controlled by British subjects (Rule III as amended by Regulation No.182 M.D. dated 20th January 1917)

3 Is it not advantageous to show preference to local men?

Yes. The following may be added to the rules for the grant of -- prospecting licenses and mining leases ~~when~~

When applications are -- received in respect of the same area from ~~the~~ a subjects of the State and an outsider preference shall be given to the former, ~~other considerations being~~ equal. When the applicants are subjects of the State, the prior right ~~to~~ a license or lease shall, subject to any order to the contrary which the Government in its ~~discretion~~ may discretion pass in any particular case, be deemed to be with the applicant who shall have been the first to file his application. On receipt of an application the Director shall note thereon the date and hour of its receipt and

an acknowledgment stating the date and hour of receipt.

4 Should any minerals be reserved?

The minerals reserved at present by the Government of India are petroleum, chromite, and ores of manganese, vanadium, molybdenum nickel and tungsten (Rule 30)

C1
Page 6.
para (vi) c.

5 Should any limitation be placed on the export of minerals from the State

In the ordinary rules of British India, there is no restriction against exportation but the --- Government of India have prohibited the exportation during the war of the following minerals from British India.

Ammunition and explosives and the materials used in their ---- manufacture other than saltpetre.

Chromite

Lead.

Manganese ore

Mica

Steel etc.

6	Should any enquiry be held by the Director before making his -- recommendation to -- Government.	The following rules may be added: The Director shall before forwarding the application to Government enquire whether its grant is inexpedient either on the ground that the land is required for a public purpose or is ---- objectionable on the ground that others have rights over it or otherwise.
7	How do the rates of royalty on magnesite in Mysore compare with those of other ~~companies~~ countries?	1 Mysore. Raw magnesite 0-10-0 per ton Calcined magnesite 1--4-0 per ton Dead burnt magnesite. 1--8-0 per ton 2. British India. $2\frac{1}{2}$ % on the sale value at the pits mouth or on the surface of the dressed ore or metal convertable at the ~~office~~ office of the Local Government to an equivalent charge per ton to be fixed -- annually or for a term.

Syndicate of Salem pay a royalty of 1½ annas per ton of magnesite

No information is available as to the royalty levied in -- other countries specifically on magnesite, but the following - rates of royalty are prescribed generally for all minerals.

3. Greece

10% of the net produce generally for all minerals.

4. Canada (Quebec)

3% of the value of the -- mineral extracted after deducting the cost of the extraction

5. Mexico.

A tax of 2% on the products without deduction of expenses.

The 2nd Member has made the -- following observation.

The rates have been recently raised higher than even what Dr. Smeeth proposed viz 10 annas

1-4-0, 1-8-0 respectively. As the rates underwent a general revision only a few months ago and have been notified for two years, no further examination of the general question seems necessary just now.

Read
67

	To whom taxes or royalties payable gold.
1 FRANCE	Partly to the owners of the surface. The royalties payable to the owners of the surface are sometimes proportional to the yield, sometimes fixed and sometimes - partly fixed and partly proportional. They are generally known as "Redevances trefoncieres" being regulated by the Acts of Concession. Partly to the Government. The taxes payable to the Government are partly fixed and partly proportional to the yield, and in addition 10 per cent. on the amount of the taxes is to be paid towards a fund in favour of unproductive mines so as to permit a reduction of the tax in the case of proprietors of - mines who have experienced losses or accidents. The fixed tax is payable annually according to the extent of the concession and is at the rate of 10 francs for the square kilometre. This fixed tax is payable in respect of each conces-

10 francs = 7s. 11d. or 7s 1d (

Sq Kilometre = 25/64 Sq mile

sion of mines under the same surface, so that it may be payable several times over in respect of the same surface where there are concessions of different beds of mines one above tho other.

It is also continues payable, whether the mines are worked or not, until the granting of a decree of renunciation of the concession.

The proportional tax is fixed each year by the budget of the State, but is not to exceed 5% on the net produce. The centimes additionals raise the rate to 5.5 per cent.

The concessionaires of mines are also subject to ordinary general taxation including the impost of 3 per cent per annum on profits of Companies established under the law of 29th June 1872.

2 GERMANY.

To the Government, ordinarily two per cent on the gross produce of the mine. Certain payments have also to be made to the miner's benefit funds (Knappschaftskasse). In some instances royalties are payable to private individuals under old laws kept in force by the modern Mining Acts.

modern Mining Acts.

brings industrywide under one law kept in force by the

to be made to the miner's benefit thumb (Mussbbcopeft-

ekseee). In some instances royalties are beyabple to

Section Biological Abstracts' originally two bor cent on the

To the Government' originally Certain beAmounts have also

S E E M A N.

Copyright (c) 1982 Mary Ann Liebert, Inc.

3 I T A L Y

To the Government 1st a Fixed Tax of 50 centimes per hectare, and 2nd proportional Royalty Tax of 5 per cent. of the net profits ascertainable by the Prefect.

50 Centimes = 4 3/4 d or 4 1/4 d (exchange)
1 hectare = 2.471 acres
Fixed tax for one acre = 1.92 d or 1.82 d (exchange)

N.B. The latter rent has been, of late years, replaced by the general income Tax (Tassa di ricchezza mobile) amounting to 13.20 per cent on the net profits of the undertaking.

UNITED STATES OF AMERICA.

If let, to the locator of the claim or his assigns.

The Government of each State has the right to impose taxes on the produce of the mines, but this is not generally done; such a tax, however, appears to be imposed in the State of Nevada (Law of 28 Feb. 1871) and in the State of South Carolina (as regards the mining or dredging of phosphate rock in navigable

M E X I C O

To the Federal Government a tax is payable of $ 10 for each mine (i.e. each unit of 10,000 square metres) to be paid once in stamps on the taking out of a patent, and an annual tax of $ 10 for each mine constituting a concession, independently of the metal or substance of which it consists, such annual sum to be paid in three equal parts in each fiscal year under penalty of fines and forfeiture.

£ . s . d.
$ 10 = 1 - 0 - 0

10,000 sq metres = $\frac{5}{128}$ sq mile
Stamps fee for one sq mile = £ 25 = 12 - 0.

Mines other than stone and coal &c. are subject to a tax of 2 per cent. on the gross produce

C H I L E

The mines pay an annual patente of 10 dollars per hectare

= 13.3 dollars
∴ 10 dollars = 15.0376 shillings
1 hectare = 2.471 acres.
Patente for 1 acre = £ .30428
= £ 0 - s 6 - d 1.0272.

COLOMBIA

There is no tax on products, but an annual tax is levied from mines, whether worked or not, i.e. $ 5 for every claim of - placer mines and from precious stone mines, and $ 4 on every claim of quartz mines.

MALAY PENINSULA STATES

PAHANG

The Pahang State Mining Regulations provide for the granting by the Government of

(1) Mining licenses, which entitle holders to search for gold or other metals or minerals within certain specified areas for the space of one year (renewable) on payment of certain prescribed fees.

(2) Mining leases of areas not exceeding 250 acres for terms not exceeding 25 years (renewable), the royalties reserved by Government being 5% on gold The royalties are apparently calculated on the value of mineral exported. The leases entitle the holder to mine within certain specified areas subject to prescribed conditions.

ownership.

CAPE COLONY

In the surface-owner, unless specially reserved to the Crown; and, even where the mines have been reserved to the Crown, the surface-owner is entitled to receive one half of the license moneys, rents, or royalties collected by the Government.

The license fees for prospecting and for pegging out and working claims on Crown lands are 2 s 6d. per month, which also entitle the owner of any claim to a residence area of

not more than 50 feet square, without additional payment. Claims may be declared abandoned if the license fees, rents, royalties or transfer fees (2s 6d per cent) are in arrear for thirty days, or if they shall be proved to have been unworked, in the case of reef claims for thirty days, and, in the case of alluvial claims, for fourteen days, without leave.

BRITISH BECHUANALAND -do-

N A T A L

The right of mining for, and disposing of gold etc. is vested in the Crown. Rights previously acquired are unaffected.

The owner of any land which has been proclaimed a public gold field has precedence in choice of claims, and one-half of the license-fees paid by other parties is to be paid over to him . Discoveries of gold have also special privileges. A royalty is payable to the Government in respect to gold etc found on any land not being a proclaimed gold field ~~ton~~ on gold of 1s 6d an ounce, silver 1 s per ounce, diamonds 2½ per cent. On the proclaimed gold fields diggers must take out licenses of 10s a month for each claim. A prospector's license costs 10s for every 6 months, and no one may search for gold etc on Crown lands without such a license.

ZULU LAND — As in Natal

QUEBEC — As to grants made up to 1880, in the owner of surface [unless purchased with reservation of mines, in which case owner may purchase mines at a price, including the original purchase-money of the land, of # 5 per acre if for superior metals, and #2 per acre if for inferior metals, these prices to be increased to # 10 and # 4 per acre respectively if the land situated within twelve miles from a railway in operation As to the grants made since 1880 for agricultural purposes, in the Crown (but owners have preferential rights to work mines on payment of additional sums as before mentioned), and in the case of any grant made as a mining location in the owner of surface. The Lieutenant Governor in Council has power to claim royalty due to the Crown on any land, but only within five years from the date of alienation, such royalty not to exceed 3 per cent. of the value of the mineral extracted after deducting the cost of the extraction.

1 dollar = 4 S. 2 d

£ S d
5 = 1-0-10

NOVA SCOTIA — Royalties are fixed on gold and silver 2 per cent. on gross output (and an annual charge of #2 per area - 100 ft by 150 ft - if mines not worked)

S d
2 = 8. 4

£ S d
annual charge per acre = 1-4-2 2/5

WESTERN AUSTRALIA	Term	...	21 years
	Area	...	25 acres
	Rent	...	20s per acre. or £1.
NEW ZEALAND	Term	...	21 years
	Area	...	Varies according to class of land; amalgamated claims not to exceed 30 acres.
	Rent.	...	3 years at 10s., 2 years at 15s., afterwards 20s per acre.
	Royalty	...	2s per ounce export duty (in North Island)
T A S M A N I A	Term	...	10 years
	Area	...	10 acres
	Rent	...	20s per acre. £1

12/4/18

D. O. No. G 10107

GENERAL AND REVENUE SECRETARIAT.

Dated Bangalore, January 191

Dear Sir,

I am desired to request that information regarding the rates of royality levied on magnesite in other countries may kindly be furnished by return of post if available

Yours sincerely,

(Sd) T. S. Jayaram Iyer

Vol. 251 / 24/1/17 19

SECRETARIAT
GENERAL
JAN. 1917

D.O.No. 732

Office of the Chief Inspector of Mines,
Kolar Gold Field.

DIARY NO. 656 Dated Oorgaum, 24th January 1917.

19 - 8
SECT
FILE

Dear Sir,

In reply to your D.O.No.G 10103 - 4/Geol. dated Bangalore, 23rd January 1917, I regret I am unable to furnish the information asked for regarding the royalty levied on magnesite in other countries, as we have no literature, reports or papers dealing with this subject in this office.

If it has not already been done, I would suggest that the Director (in charge), Department of Mines and Geology, Bangalore, be applied to for such information, as it is possible it may be available in his office.

Yours sincerely,

R. Bocquet.

To

D. M. Narasinga Rao, Esq., B.A., B.L.,
Secretary to the Govt: of Mysore,
General Department,
Bangalore.

Dis. No. 6591

18

19 -16

No. 2114

DEPARTMENT OF MINES AND

MYSORE STATE.

Bangalore, 25th Jan. 191

SECRETARIAT
GENERAL
26 JAN. 1917

Dear Sir,

In compliance with the telephonic message just received from your office, asking for information as to the rates of royalty levied on magnesite in the several countries of the world, I beg to state that the countries which are so far known to produce magnesite are Canada, Greece, India, Italy and Mexico. The only country in respect of which we have realiable information as to the rate of royalty on magnesite is India, where it is 2½ % on the sale value at the pits' mouth or on the surface of the dressed ore or metal convertible at the option of the Local Government to an equivalent charge per ton to be fixed annually or for a term. It is reported that at this rate the Magnesite Syndicate of Salem pay a royalty of 1½ annas per ton of magnesite. There is no information in this office as to the royalty levied in other countries ~~specially~~ specifically on magnesite, but the following rates of royalty are prescribed generally for all minerals :-

Greece - 10 per cent of the net produce generally for all minerals.

Quebec Canada.	3 per cent of the value of the mineral extracted after deducting the cost of the extraction.
Mexico.	A tax of 2 per cent on the products without deduction of expenses.

I am sorry we have not got more useful information in the matter.

I remain,
Dear Sir,
Yours truly

T.E. Jayarama Iyer, Esquire, B.A.,B.L.,
Under Secretary to Government,
General & Revenue Departments.

7209/20

9/7/18

DEPARTMENT OF MINES AND GEOLOGY,
MYSORE STATE.

D.O.No. 2184

Bangalore, 8 March 1918

Enclosure books as per list.

Dear Sir,

With reference to my personal conversation with you on the 4th instant, I send you herewith copies of the rules that are available in this office in regard to the grant of licenses and leases for minerals in other countries as per enclosed list. I regret they do not contain much useful information which would be useful for our purposes. The books may kindly be returned to this office when done with.

A copy of a book called "the Gold Mining Laws of the World" had been sent to the Assistant Secretary of the Financial Branch (Mr. B. Srinivasa Iyengar) and it has, I believe, been since sent by him to Mr. T.E.Jayarama Iyer, Under Secretary.

Yours sincerely,

B. Jayarama

C.S.Balasundaram Iyer, Esq., B.A.,
Chief Secretary to the Govt. of His Highness
the Maharaja of Mysore.

List of Books.

Regulations relating to Mining Leases. Victoria.

An Act to amend the Law relating to Mining.

Quebec Mining Law.

Mining Regulations - New South Wales.

The Mining Act 1904 - Western Australia.

The Mineral Lands Acts, 1892-99 - Western Australia.

Guide to Western Australia and its Gold Fields.

The Mining on Private Property Act, 1898. W.Australia.

By-Law No.XI and Schedules of the Mining Board of Ballarat.

The Crown Lands Laws of S. Australia.

By-Laws of the Sandhurst Mining Board.

By-Laws of the Castlemaine Mining Boad.

Maryborough Mining District. - By-Law No.4.

Laws of the Transvaal, 1901.

8. 3./8